



2020
**ANNUAL
REPORT**





Table of Contents

KDOL Leadership Structure	3
Message from the Secretary	4
Industrial Safety & Health (ISH).....	5
Labor Market Information Services (LMIS).....	6
Legal Services	8
Unemployment Insurance (UI).....	10
Workers Compensation	11

Mission Statement

The Kansas Department of Labor assists in the prevention of economic insecurity through unemployment insurance and workers compensation, by providing a fair and efficient venue to exercise employer and employee rights, and by helping employers promote a safe work environment for their employees. This facilitates compliance with labor laws while enabling advancement of the economic well-being of the citizens of Kansas.

KDOL Leadership Structure

Amber Shultz
Secretary of Labor

Sandy Johnson
Chief of Staff

Peter Brady
Deputy Secretary

Kelly Johnson
Chief Information
Technology Officer

Brett Flachsbarth
Deputy Secretary

Laurel Klein Searles
UI Admin

Amy Selm
UI Benefits

Jerry Grasso
Communications

Julie Menghini
Government Affairs

Dawn Palmberg
Fiscal

Allen Vinyard
Industrial Safety
and Health

Lacie Worcester
Human Resources

Justin Whitten
Legal

Angela Berland
Labor Market
Information Services

Jeff King
Workers Compensation

| Message from the Secretary



Reflecting on 2020, I am proud of the perseverance of KDOL employees, along with their creativity and ingenuity, in tackling the unparalleled challenges 2020 brought. I am honored to serve Kansas, and look forward to moving the agency forward in 2021.

This annual report is a brief summary of the programs and services the agency delivered in 2020. As we all know, 2020 was unlike any other in the history of KDOL. The onset of the COVID-19 pandemic in February and March caused KDOL, and all other Kansas agencies, to change their operations in unforeseen ways that we could never imagine.

Unemployment surged and claims skyrocketed to unprecedented levels, which overwhelmed the Unemployment Insurance Contact Center and the agency's computer system. The agency contracted with Accenture to provide additional support in the Contact Center. KDOL faced immense challenges with volume and expanding existing systems to conform to new federal legislation.

In addition to the massive increase in unemployment claims, Kansas, along with every other state, saw a significant escalation of fraud and identity theft. To combat fraud, KDOL launched the www.ReportFraud.ks.gov website. The KDOL investigations team stopped more than 250,000 fraudulent claims most involving Pandemic Unemployment Assistance (PUA). The United States Department of Labor (USDOL) estimates the total impact nationwide of this fraudulent activity to be between \$8B and \$63B.

Even with the challenges, between March 15, 2020 and March 13, 2021, KDOL has paid out over 4.3 million weekly claims totaling more than \$2.9 billion between regular unemployment and the federal pandemic programs.

Most of 2020 focused on unemployment insurance; however, other KDOL divisions continued with their important work. The Legal Division collected more dollars through the Kansas Wage Payment Act in 2020 than in 2019. The Workers Compensation Division's Fraud and Abuse Unit collected nearly \$300,000 in fines, penalties and restitution. In addition, our Labor Market Information Services team provided important and timely labor market and economic data to government, industry and academic experts throughout the year reporting on the repercussions of COVID's impact on the state's workforce.

KDOL operations, like so many other organizations, had to adapt. At the onset of the pandemic, Unemployment Insurance appeal hearings were suspended, along with Workers Compensation hearings and safety consultations conducted by the Industrial Safety and Health Division. Hearings have resumed but are conducted through video and phone connections. Safety consultations will resume soon using all of the appropriate social distancing and COVID-19 protocols.

Additional information about KDOL can be found at www.dol.ks.gov.

Thank you,
Secretary Amber Shultz



| Industrial Safety & Health (ISH)

The Kansas Department of Labor Industrial Safety and Health Division (ISH) is responsible for identifying safety hazards and helping Kansas businesses and public sector entities eliminate unsafe practices. The division promotes programs throughout the state designed to help Kansas workers avoid on-the-job injuries and provide a safe working environment.

OSHA Consultation Program

The OSHA Consultation Program is administered under Cooperative Agreement with the Occupational Safety and Health Administration (OSHA). The 10 Safety and Health Consultants assigned in the OSHA grant conducted **260** safety and health visits. These visits identified **478** hazards in a variety of industries. OSHA has placed an emphasis on construction, oil and gas, silica, trenching, grain handling and manufacturing facilities with amputation hazards. The focus of this program continues to be small companies with less than 250 employees on-site that are considered a high hazard industry. We continue our outreach providing the opportunity for employers to discuss concerns and ask questions pertaining to OSHA consultation services.

Public Sector Program

The division is responsible for investigating safety and health issues pertaining to public sector entities, including: cities, counties, school districts, and community colleges. During state fiscal year 2020, eight safety and health consultants assigned to this unit conducted **275** inspections. These inspections identified **2,435** hazards and involved **17,323** employees.

State Workplace Health and Safety Program

The division has assisted the Kansas Department of Health and Environment (KDHE) with the State Workplace Health and Safety Program, created under K.S.A 44-575 (f). During state fiscal year 2020, the division conducted **25** ergonomic assessments at 27 locations with **247** recommendations, assisting **129** employees; and **68** safety and health inspections, assisting **3,567** employees. Additionally, our safety and health consultants have identified and assisted in abating **460** hazards.

Amusement Ride Safety Program

The program conducts audits and evaluates documentation of amusement ride operations per the Kansas Amusement Ride Act, K.S.A. 44-1601, et seq. In 2019 the amusement ride unit launched the Amusement Ride Permitting Program (ARPP). This program allows amusement ride owners and operators to submit all of their information and paperwork electronically and renew permits much quicker. This streamlining of our services has been highly beneficial to both KDOL staff and the stakeholders we work with. In 2020 the Amusement Ride Unit conducted audits of **51** amusement ride entities, registered **66** entities and issued **401** amusement ride permits.

Safety and Health Achievement Recognition Program (SHARP)

The Safety and Health Achievement Recognition Program (SHARP) continues to grow in Kansas with 150 active sites. Kansas continues to have the greatest number of SHARP sites in the nation and the highest percentage of SHARP sites per workplace establishment in the United States under both state and federal OSHA jurisdiction. In 2020 one new site was added to the SHARP program: The Cedars 2/3/2020

Accident Prevention Program

For 20 years, as a prerequisite for authority to provide workers compensation insurance coverage, Kansas insurance companies and group-funded plans, have been required to provide accident prevention programs upon request of the covered employer. KDOL is charged with inspecting these programs. The division completed **535** audits of these programs during state fiscal year 2020.



Labor Market Information Services (LMIS)

Labor Market Information Services (LMIS) provides timely, relevant labor market and economic data to many users, including the executive and legislative branches, economists, academia and the public.

2020 Economic Report

This report provides details related to the state's economic condition in 2019 including: job growth, employment gains, unemployment rates, the state's global business position and an economist's note. It includes charts and tables and gives the reader insight into recent happenings in the Kansas economy. It is the most comprehensive annual report published about the Kansas labor market.

Monthly Labor Report

Each month KDOL releases the Kansas labor report, which includes data on Kansas jobs and labor force data. The report includes labor force, employment, unemployment and unemployment rate data at the city, county, Metropolitan Statistical Areas (MSAs), and statewide. Also included is the jobs data for the MSA and statewide. The most recent unemployment benefit statistics are also included.

Job Vacancy Survey

LMIS did not conduct a 2020 Job Vacancy survey between April 1 and June 30 due to the COVID-19 Pandemic.

Kansas Wage Survey

The Kansas Wage Survey produces employment and wage estimates for more than 700 occupations. The report includes estimates of the number of jobs in certain occupations and estimates of the wages paid to them. Estimates are available for the state, its metro areas and designated non-metro areas including all Kansas counties. This survey is the most requested and used product from LMIS.

The 2020 Kansas Wage Survey reported the average hourly wage in Kansas increased **2.8** percent to **\$22.37**. The average annual wage in the state is **\$46,520**.



and fatalities in Kansas. The SOII unit provides statistics on work-related injuries and illnesses in Kansas. Data from the SOII estimates annual counts and incident rates of nonfatal workplace injuries and illnesses of Kansas employers. Case circumstances and workers characteristics for cases that involve days away from work are included in the data. Data is collected from over 3,500 Kansas employers each year. The CFOI unit collects data from multiple sources for every work-related fatality recorded.

Collaborations

LMIS works with the Kansas State Department of Education (KSDE) and Kansas Board of Regents (KBOR) to provide regional labor market data to educational providers across the state to assist with their local needs assessment for Perkins V funding. This includes collaborative work to create a crosswalk that matches occupational data tracked by LMIS to KSDE Career Pathways and KBOR post-secondary programs. LMIS also participates in the Governor’s Council on Education, providing information on data products that could be utilized by the council when analyzing the Kansas economy.

Kansas Career Navigator

The Kansas Career Navigator is an intuitive dashboard intended to aid in the selection of education and training programs, access workforce training providers, analyze performance information and labor market information. Additionally, by navigating this site a user has access to high-demand, high-wage occupation opportunities by county or local area selection. The Occupation and College program shows the top 10 high-demand, high-wage occupations in the user’s local area. Users can learn more about wages, job openings, education and work experience expectations, provider listings, forecasted vacancies and much more.

The High School Career program shows High School Career and Technical Education pathways and the corresponding college programs in the user’s local area connecting to Kansas careers. Users can begin the journey for a career by discovering high school, college courses and opportunities available to gain knowledge and experience in high-demand occupations. For more info visit <https://kscareernav.gov/>

High Demand Occupations

The list of high demand occupations in Kansas combines the number of projected job openings with the number of current job openings to rank occupations by demand from Kansas employers. Occupations are ranked by the number of job openings at the current time, in the next two years and in the next 10 years. The job vacancy survey, short-term projections program and long-term projections program are all used to compile the list of high demand occupations. This list is widely used by groups such as the Kansas Legislature, the Department of Commerce and the Board of Regents in crafting policies and programs related to workforce development.

Special Requests

Throughout the year, LMIS fulfills many special data requests. These can be from a variety of individuals, including individual business owners, economic development groups, other government agencies, media and schools. The data requested covers a wide variety of sources, such as BLS data, Census data, Projections and High Demand data, unemployment data and job vacancy data. LMIS continues to achieve a fast response rate and a high level of customer satisfaction. Requests may be submitted via email at KDOL.Laborstats@ks.gov. In 2020, LMIS received **399** data requests; **201** of those excluded: Governor’s Office, Kansas Correctional Industries, Kansas Department of Commerce, Legislative or Economic Development.

Occupational Safety and Health Statistics Program

This program, in cooperation with USDOL and the Bureau of Labor Statistics (BLS), conducts the Annual Survey of Occupational Injuries and Illnesses (SOII) and Census of Fatal Occupational Injuries (CFOI) to provide data on the work related injuries, illnesses



| Legal Services

The Legal Division provides legal counsel to the agency and represents KDOL at all levels of state district and appellate courts, as well as all levels of federal district and appellate courts and administrative agencies. KDOL attorneys have expertise in a wide variety of areas of law. For more information visit www.dol.ks.gov/laws. To learn more about KDOL and labor relations, visit www.dol.ks.gov/lr.

Employment Standards Unit

The Employment Standards Unit of the Legal Division is responsible for receiving and processing claims filed by employees against their employers for unlawfully withholding wages owed in violation of the Kansas Wage Payment Act. The agency received **507** new wage claims in 2020 compared with 749 in 2019. A total of **\$744,250.60** was collected and returned to Kansas employees during 2020 (\$570,878.44 through investigation prior to a hearing being held and \$173,372.16 was collected as a result of hearings held and orders issued). In 2019, a total of \$744,172.57 was collected and returned to Kansas employees. While the number of new claims fell by almost a third, the amount collected and returned to Kansas employees increased.

Asset Recovery

The Bankruptcy Unit of the Legal Division filed 45 adversary proceedings in federal bankruptcy courts in 2020, which resulted in a total of **\$223,560.32** debt being declared nondischargeable. This debt represents fraudulently obtained UI benefits. The Legal Division is committed to recovering these debts, including taking active measures to ensure debtors do not attempt to escape their fraud debt through bankruptcy.

Public Employee Relations Board (PERB)

PERB is a five-member appointed board that makes determinations as to the appropriate bargaining unit, conducts representation elections, and adjudicates charges of prohibited practices under the Public Employer-Employee Relations Act (PEERA). In 2020, there were **two** impasse and **eight** prohibited practice complaints filed under PEERA. KDOL attorneys advise and represent PERB on appeal, and KDOL is currently representing one PERB decision on appeal to district court.

Employment Security Board of Review

This Board is a three-member appointed board that reviews higher appeals of claims for unemployment insurance (UI) benefits. KDOL attorneys defended **27** cases in district court and argued **two** cases in the Court of Appeals. KDOL attorneys filed **13** subpoena enforcement actions in district court seeking to enforce subpoenas issued pursuant to the Kansas Employment Security Law. Employment Security Board of Review reviewed **1,403** appeals of claims for unemployment insurance benefits.

Professional Negotiations Act (PNA)

The PNA governs negotiations of the terms and conditions of professional service between school districts and professional employees of schools district, such as teachers. The Secretary issued **one** Determination and Final Order in a PNA case. KDOL is currently representing the case on appeal to district court.

Special Investigations Unit

In the first three months of 2020 before the pandemic, the Special Investigations Unit (SI Unit) investigated **190** cases involving criminal fraud in obtaining UI benefits, misclassification of workers, forgery, identity theft, fraud, criminal threats, and human trafficking. The pandemic brought an unprecedented surge of identity theft cases, and the SI Unit is working with federal law enforcement agencies to identify, stop, and prosecute fraudsters. Further, the SI Unit was active in assisting the Unemployment Insurance Fraud Division in stopping as many fraud claims as possible before money was lost.

Areas of Law Practiced by KDOL Attorneys

- Americans with Disabilities Act
- Amusement Ride Insurance Act
- Civil Collections and Enforcement, including the U.S. Bankruptcy Code
- Civil Litigation, including the Kansas Judicial Review Act
- Civil Rights Laws
- Coronavirus Aid, Relief, and Economic Security Act (CARES)
- Contract Formation and Enforcement
- Continued Assistance Act
- Data-Sharing Agreements
- Employment Security Law
- Fair Labor Standards Act
- Families First Coronavirus Response Act
- Family and Medical Leave Act
- Governmental Ethics
- Governmental Records Preservation
- Hatch Act Kansas
- Kansas Administrative Procedure Act
- Kansas Child Labor Law Kansas
- Kansas Minimum Wage and Maximum Hours Law
- Kansas Open Records Act
- Kansas Open Meetings Act
- Kansas Wage Payment Act
- Kansas Workers Compensation Act
- Professional Negotiations Act
- Public Employer-Employee Relations Act
- Social Security Act
- Subpoena Enforcement
- Various Kansas Administrative Regulations
- Workforce Innovation and Opportunity Act
- Act prohibiting discrimination and retaliation against an employee who is a victim of domestic violence or sexual assault



| Unemployment Insurance (UI)

The framework of the Unemployment Insurance (UI) program is both state and federal. The program is administered by state employees under state law, but federal laws – the Social Security Act and the Federal Unemployment Tax Act – set forth broad coverage provisions, some benefit provisions and numerous administrative requirements. Further, the federal government provides administrative funding, ensures conformity and compliance with federal law and monitors state performance. The Kansas Employment Security Law both encourages employers to provide more stable employment and allows for financial reserves to be set aside for the sole purpose of being used by individuals who are unemployed.

The Arrival of the COVID-19 Crisis

In January 2020, KDOL was operating under largely *business-as-usual* conditions. The Kansas unemployment rate was hovering at a historic low of 2.8 percent, which resulted in a corresponding reduction in KDOL's federal funding. In the span of 30 days, the Kansas unemployment rate surged from the historic low, to a historic high of 11.9 percent.

Kansas Unemployment Contact Center

Prior to the pandemic there were approximately 20 Customer Service Reps working in the Contact Center when the first wave of unemployment filings came into the agency. As claims began peaking, there were 1.6 million attempted calls into the Contact Center in just one day. KDOL initially surged 150 employees from the Kansas Department of Commerce, Kansas Department of Agriculture and other divisions within KDOL for temporary support. Additional customer support representatives were trained and deployed in 2020 - 54 by KDOL and 258 by Accenture.

The CARES Act

On March 27, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), a \$2.2 trillion economic stimulus bill in response to the economic fallout of the COVID-19 pandemic. The CARES Act provided \$260 billion in increased unemployment benefits.

Another aspect of the CARES Act was the creation an entirely new unemployment system designed to support self-employed, freelance, contract, and part-time workers. This marked the first time states have had to implement a new unemployment system since the Social Security Act of 1935 passed.

Extended Benefits Triggered

Extended Benefits (EB) is an existing unemployment insurance program that takes effect when unemployment reaches a target threshold. The last time Kansas triggered onto the EB program was during the 2008 Great Recession. On June 9, 2020, KDOL learned that Kansas triggered these benefits on June 7.

For the first time in the state's history, Kansas triggered onto High Unemployment Period (HUP) within the EB program that provided an additional seven weeks of EB benefits on top of the 13 weeks of regular EB benefits. The HUP-EB trigger was caused by the exceptionally high level of unemployment within the state. Kansas *triggered off* of HUP-EB on October 16, 2020, and later *triggered off* the EB program altogether.

Claim Delays and UI Backlog

Starting in March, KDOL was suddenly administering multiple unemployment programs and helping claimants navigate the resulting complexity. Every claim requires a complex set of inputs and a thorough review to be properly adjudicated. The process can be time consuming, especially since KDOL personnel must navigate multiple systems to complete these processes and timelines that are set in statute. At the end of June, there were about 25,000 claims in the regular UI backlog, however KDOL eliminated the backlog of regular UI claims by January 2021.

Total Payments in Federal Programs

March 15 - Dec. 26, 2020

Pandemic Unemployment Assistance (PUA)
\$167,608,550

Pandemic Emergency Unemployment Compensation (PEUC)
\$107,524,522

Federal Pandemic Unemployment Compensation (FPUC)
\$1,203,687,048

State Extended Benefits (EB)
\$11,472,353

Lost Wages Assistance (LWA)
\$115,685,050

Workers Compensation

The Kansas Department of Labor Workers Compensation Division is responsible for the administration of the Kansas Workers Compensation laws and rules. Our goal is to ensure employees injured at work, employers, health care providers and insurance carriers receive timely, impartial and fair claim resolution.

Annual Workers Compensation Seminar

The 2020 event was scheduled to be held in Topeka at the Capitol Plaza in September. Due to COVID-19 restrictions on large gatherings, the division pivoted and hosted a virtual, remote seminar which provided attorneys practicing in the field the opportunity to earn continuing legal education credits. Topics included legislative and case law analysis, occupational medicine, updates on information security, and ethics training. More than **250** people attended the virtual seminar.

Judicial Section

Workers Compensation has 10 administrative law judges throughout the state whose primary function is to conduct timely hearings in contested workers compensation claims, and render orders based on the facts presented, as applied to the Workers Compensation Act. For an initial determination of benefits, preliminary hearings are set on a priority basis, and preliminary hearing decisions are issued within five days of the hearing being closed. A list of the workers compensation law judges and their contact information is available [here](#).

Online System for Claims Administration Research/Regulation (OSCAR)

Launched in November 2018, OSCAR is the Workers Compensation Division's information system. Almost all division operations are processed through this digital system. A large majority of digital filings by attorneys in OSCAR are for workers compensation cases heard by division judges. Hearings in front of judges constitute another large category of OSCAR activity. Other external users of the system include legal assistants, court reporters, insurers, employers and workers compensation claimants. The division processes all records requests, elections, fraud investigations, self-insurance permits, compliance actions and assessments (taxation) through OSCAR as well.

Last year, the Fraud & Abuse unit received and investigated **283** referrals. There were **27** fraud and abuse administrative cases, including settlements, were prosecuted resulting in more than **\$293,000** in fines, penalties and restitution.

There were over 4,000 registered external OSCAR users. There were **22,075** requests of OSCAR records by external parties. The overwhelming majority of these requests relate to an offer of employment (18,631) while the rest are by workers seeking benefits (3,425) and request of personal records housed in the OSCAR system (19).

In 2020, there were over **39,000** legal filings made in OSCAR. This number more than doubled from 2019 totals as all workers compensation settlements were mandated to be processed in OSCAR beginning January 2020. Requests for workers compensation benefits (3,206), requests for hearings (3,737), and entries of appearance by lawyers needing formal access to a case (4,799) constituted the majority of legal filings. There were **152** appeals filings.

In 2020 there were over **17,100** hearings created in OSCAR. Settlement hearings (6,713), preliminary hearings (4,188), prehearing settlement conferences (3,275) and regular hearings (1,296) make up the majority of hearing activity.

Workers Compensation Board

The Workers Compensation Board was established in 1993 to decide appeals of orders and awards from the workers compensation administrative law judges. Hoping to obtain more uniform decisions throughout the state, the Legislature created the Board to replace the state's district court judges in the appeal process.

Current Board Members:

- Will Belden
- John Carpinelli
- Chris Clements
- Rebecca Sanders (Chair)
- Seth Valerius

